(b) Promotion of export has been the constant endeavour of the Government. Extreme Focus on sectors having high growth potential, facility of conversion of entire export earnings at market rate of exchange, provision of inputs for export production at international prices and exemption of income from export from Income-Tax are some of the important constituents of Government's strategy to step up exports. Specific steps taken to improve the performance of export of electronics items include introduction of liberal value-based advance licensing for electronic industries, Electronic Hardware Technology Park Scheme and reduction of the value addition requirements for computer hardware industry in quantity-based advance licensing.

(c) The liberalisation of baggage rules announced recently is expected to have only marginal effect on the domestic industry, as simultaneously, relief has also been given to the domestic industry by reducing and rationalising excise and custom duties so that Indian electronic industry does not face unfair competition from imports under the baggage rules.

Widening Trade Deficit

3338. SHRI KRISHNA KUMAR BIRLA :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that country's trade deficit has widened during the current year;

(b) if so, what is the estimated trade deficit during 1992-93, till-date as compared to the trade deficit in 1991-92;

(c) what are the reasons identified for the unsatisfactory trade performance stating the names of the countries where the country's exports have declined; and

(d) what is the manner in which Government propose to step up exports to minimise the deficit ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) and (b) The trade deficit during April—Jan' 1992-93 amounted to US $ 3596.39 million as compared to US $ 1533.81 million in the corresponding period of 1991-92.

(c) Among the reasons for slow growth in exports mention may be made of rapid fall in trade with CIS and East European countries recession in industrially advanced countries and sluggish growth in world trade. The principal countries in respect of which exports declined during April—November 1992-93, the latest period for which such data are available, are CIS, Romania, Poland, Yugoslavia, Hungary, Japan, Republic of Korea, Belgium and Finland.

(d) In order to boost exports, the Government have taken major steps for liberalisation of trade which include provision of export-linked imports, reduction of import licensing, strengthening export incentives and removal of procedural irritants through simplification of policy and procedures. In 1993-94 Budget, the system of market determined unified exchange rates has been introduced and custome and excise duties have been reduced. Besides, 34 commodities have been identified as "Extreme Focus" sectors aimed at value or volume increase of 30% every year, in exports.

Impact of devaluation and liberalisation on exports

3339. SHRI KRISHAN LAL SHARMA :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that liberalisation and devaluation of rupee has not brought the desired effect on exports of the country;

(b) if so, what are the handicaps in achieving the desired results; and

(c) what steps are being taken to remove them ?